

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re: ) CASE No. 05-44481 (RDD)  
DELPHI CORPORATION, et al., ) Jointly Administered  
Debtors. ) Chapter 11

**DECLARATION OF JOHN M. McGRATH**

1. My name is John M. McGrath. I reside at 578 North Lakeview Drive, Hale, Michigan, 48739. I am over the age of 18, of sound mind and competent to testify in this matter.

2. I began working for General Motors Corporation ("GM") on or about June 13, 1966 and retired from Delphi Corporation ("Delphi") on or about January 30, 2001, with 35 years of combined service with both GM and Delphi.

3. I commenced employment with GM as an hourly employee, working on the assembly line and later became an hourly skilled trades employee. In the mid-1970s, I became a salaried employee of GM. From the mid-1970s until my retirement, I held the positions of salaried supervisor, senior programmer and machine tool designer.

4. I have been and am a participant under many of the benefits plans that Delphi desires to amend or terminate.

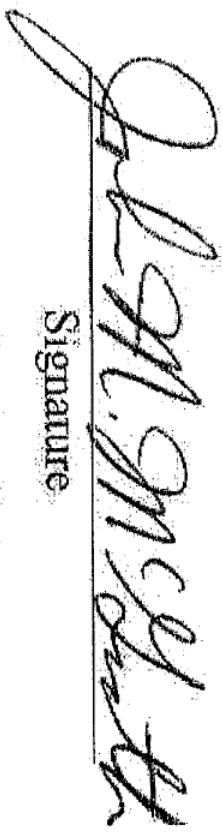
5. In the late 1990s, during the time leading up to the spin-off of Delphi from GM, GM management held employee meetings and sent out numerous communications to employees pertaining to the effect of the spin-off, which included communications regarding the employee benefits that would be provided by Delphi. During these meetings and from the communications, GM clearly indicated that Delphi would provide employee benefits identical to

those provided by GM. Attached to this Declaration is a true and correct copy of a communication (in Q&A format) relating to Delphi employee benefits that I received from GM on around September 24, 1998. For example, Q&As 16 and 23 expressly state that the retirement program provided by Delphi would be identical to the retirement program offered by GM.

6. It is, and has always been, my understanding that in order for GM or Delphi to reduce an employee's benefits through plan modification or termination the employee would have to consent to the modification or termination.
7. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on: February 20, 2009

Signature



John M. McGrath

**Frequently Asked Questions**  
**Delphi Independence Announcement**  
**September 24, 1998**

**GENERAL**

Q1 Travel cards, fleet cards, acquisition cards, business credit cards -- What happens to all of them? How will they be handled both during and after transition?  
A1 New cards will be issued as appropriate once the internal mechanisms, including new cards, can be put in place and produced.

Q2 What happens to the 8-line? Do we stay on it?  
A2 The GM dial "8" telephone functionality will remain nearly the same except the Delphi system will be separate from the GM system. This means Delphi people will be able to call Delphi people using the "8" line but will not be able to call GM people using the "8" line method.

Q3 What are the chances that there will be further organizational realignment with Delphi to combine or restructure the existing divisions?  
A3 As an ongoing business, Delphi will continue to evaluate all facets of its business to ensure we are as competitive as possible. The separation is not eliminating the prospects for change. All businesses must be dynamic and responsive to changes in their operating environment – internal, external or both.

Q4 Why was a moratorium placed on employees wishing to transfer to GM or visa versa to Delphi? What's the rationale? I do not understand why we can not use the Opportunity Awareness line to transfer back to GM if we are still GM employees. I can understand it if we were officially split or spun off from GM at this time, but we are not. Please explain.  
A4 Delphi needs stability among its employees during this critical transition period in order to become a separate, independent company. It was decided that all movement between GM and Delphi should virtually cease now so that this stability could be achieved. Significant turnover could jeopardize the ability of GM and Delphi to achieve the steps for separation that need to be achieved in 1998.

Q5 How will supplier contracts, patents, warranty agreements be handled?  
A5 Delphi will continue to purchase goods and services from a wide range of suppliers. Contracts specific to the appropriate Delphi segments will be established as existing GM contracts expire. Until then, Delphi will receive supplier goods and services through subcontract arrangements with GM.

Patent issues, all supplier proprietary representations for that matter, will be negotiated case-by-case with the appropriate support from the Delphi Legal Staff. Warranty agreements with suppliers to Delphi have been, and will continue to be, negotiated by Delphi Purchasing, case-by-case.

Q6 What will the impact on Packard-Hughes Interconnect (PHI) be, if any? I believe the concern is that the Hughes part of the joint venture may be GM-aligned instead of Delphi-aligned.  
A6 All of PHI will be within the Delphi organization.

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Q7 Will Delphi employees use ProAir? Will they be eligible for it? Will the \$25 fare remain in effect?

A7 Delphi's business arrangement with ProAir will remain unchanged.

Q8 What happens to the Delphi HQ building during the next several months -- i.e. with the anticipated growth of the HQ staff at the Troy facility, will the divisions get bumped? If so, where would we go? Would this step up "Phases II and III?"

A8 We have only recently confirmed the additional levels of employment at Delphi HQ as a result of the IPO. Presently, floorspace usage in the Troy HQ building is being prioritized based on those activities which relate to customers and other external stakeholders. It is not anticipated that any divisions will be "bumped." However, there may well be a need to further rationalize or relocate. Additional office floorspace will also be secured in the area because it will not be possible to absorb the total forecast headcount increase in the existing HQ facility. We will also explore longer term solutions, including expansion on the Troy site, based on need and a good business case.

Q9 Will Delphi be able to continue to use or will it inherit GM research center facilities?

A9 GM and Delphi are reviewing researchers, scientists and engineers for the purpose of transferring some to Delphi to enhance its component and systems product capability. Many of these individuals will have use and access to equipment, instrumentation, tools etc. at their existing GM R&D location. Ultimately, Delphi will have its own research center.

Q10 Will Kokomo, Indiana, still be the world headquarters for Delphi Delco?

A10 Yes. That is our plan.

Q11 Will we have the same number of vacation days?

A11 Yes. Current GM employees who become Delphi employees will have the same number of vacation days.

Q12 Why aren't we getting a greater level of detail on IPO matters affecting employees at this time?

A12 Delphi management is working very hard to determine the details of our separation from GM and is striving to be in a position to answer the thousands of questions raised by employees.

#### VEHICLE PROGRAMS

Q13 It is assumed that Delphi retirees will not have a GM car discount long into the future. Is that true? It would be best for Delphi employees if changes to the new vehicle purchase program (Option #1 & #2) and the PEP car program can be announced "sooner" rather than "later." New vehicle purchases usually require some future planning, and most employees would much appreciate advance notice as to how and when these programs will be changed. So, what is the latest as to Option #1 & #2?

A13 Information regarding Option #1 and #2 was issued the week of September 14. If for some reason you have not received this information, you should contact your local personnel offices.

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#### RETIREMENT / PENSIONS

Q14 As a salaried employee, will retiring before the spin-off make a difference as to which company (GM or Delphi) will be responsible for an individual's retirement benefits?

A14 We understand deeply the concern a number of employees have regarding retirement and pension issues. We are working to resolve them as quickly as possible and plan to have relevant information available during October.

Q15 For those people who have already retired from GM' Delphi divisions, will their retirement program get moved into Delphi's retirement program? If so, how long before benefit structures are changed?

A15 We understand deeply the concern a number of employees have regarding retirement and pension issues. We are working to resolve them as quickly as possible and plan to have relevant information available during October.

Q16 You state, "The terms of GM's Retirement Program for salaried employees which will be the basis for the terms of the Delphi plan are competitive with our direct competitors and other Fortune 100 companies, etc." What is meant by the term basis -- does this mean the same, similar, and if so, how similar, lesser or greater will be the benefits? Also, who are these Fortune 100 and direct competitors?

A16 The Delphi plan will be identical to GM's plan except for replacing the GM name with the Delphi name.

Q17 It is recognized that GM upper managers will most likely retain their GM retirement program even when we become Delphi, so they're not concerned. But what about us "average Joe's" down here in the trenches? What of our retirement?

A17 Upper management will be treated no differently than any other salaried employees.

Q18 How much time will be given prior to the official separation to make decisions on stock issues, retirement etc.? What event produces the exact point where we are no longer Delphi/GM and now Delphi? Will this event and date be communicated to us at least one month in advance? What is the last date a person can retire from GM instead of Delphi?

A18 We will communicate answers as soon as we have them. We hope to answer questions relevant to retirement during October.

Q19 If I have 20 years or more with GM, is it possible to retire from GM and be reemployed by Delphi and then at the end of my Delphi career retire with Delphi 15 years of service?

A19 No. The intent is not for people to retire from one company and hire into another.

Q20 What is the latest date an hourly person could retire and be sure he was retiring from GM and not Delphi?

Q20 We understand deeply the concern a number of employees have regarding retirement and pension issues. We are working to resolve them as quickly as possible and plan to have relevant information available during October.

Q21 Why are people being told by the 800 retirement system to retire on December 1, 1998 and not later than that?

A21 We are not aware of any such advice being given out.

Q22 Do I still have the option of a mutual retirement at "85 points?" with health care benefits?

A22 The Delphi plan will be identical to GM's plan except for replacing the GM name with the Delphi name.

Q23 Will the current "30-year and out" option for salaried personnel still be available with an independent Delphi? If yes, will the retirement calculations be based upon age, length of service, salary, etc. still be the same?

A23 The Delphi plan will be identical to GM's plan except for replacing the GM name with the Delphi name.

Q24 What effects will the spin-off/split-off have on the pension of years and years of working for General Motors?

A24 All credited service and years of service will carry over into Delphi.

Q25 Will a "window" be offered to employees who wish to retire under General Motors? Would this also apply to early retirement (less than 30-year seniority)?

A25 It is not currently anticipated that a window retirement program will be necessary due to the separation of Delphi from GM. However, like GM, Delphi will continue to evaluate the necessity for window retirement programs as a means to improve the efficiency of the business.

Q26 I have 31 years of service at an age of 52 -- Can I retire after the separation like I can now under the GM program? This is similar to the hourly 30 and out. And what happens to my to my Part B plan that I have paid into? Will Delphi have a similar type of package?

A26 The Delphi plan will be identical to GM's plan except for replacing the GM name with the Delphi name.

Q27 If I now qualify to retire with 30 or more years with GM, do I still have time to retire as a GM employee?

A27 We understand deeply the concern a number of employees have regarding retirement and pension issues. We are working to resolve them as quickly as possible and plan to have relevant information during October.

STOCK

Q28 Will non-U.S. employees be able to buy Delphi stock or participate in the SSPP?

A28 The SSPP program is available under Section 401(k) of the U. S. tax code and available to U.S. employees only. After the IPO, Delphi stock will be available on a stock exchange. Over time, it is likely that Delphi stock will be available on one or more stock exchanges outside the U.S.

Q29 Will we keep the GM stock options that we currently have or will we be given/forced to take Delphi stock options with no proven value in exchange for those we now hold? (We were given no choice when H split off but at least there was some track record to compare to.)

A29 Any outstanding GM options will be converted to Delphi options in a manner that is customary for similar transactions. The timing of this conversion has not been finalized. The earliest it may occur is at the time of the IPO, but it may occur as late as the point of full separation.

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**SALARY / BENEFITS / SSPP**

Q30 GM SSPP -- What happens to the GM Stock-Savings Purchase Program? Will it be replaced? If so, how?

A30 It is anticipated the GM SSPP will be replicated by a Delphi SSPP which will make Delphi stock available instead of GM stock.

Q31 Will Delphi employees be able to continue payroll deduction into GMAC Demand Note accounts?

A31 Delphi employees will continue to be eligible to participate in the GMAC Demand Note program if they are currently enrolled as of the date of full separation. After full separation Delphi employees will be eligible to enroll in the GMAC Demand Note program as long as they meet one of the following criteria: 1) own a share of GM \$1-2/3 common or Class H stock; 2) have a vehicle lease with GMAC; 3) have a retail contract (a loan to buy a vehicle with GMAC); 4) have insurance with MIC or NGIC; or 5) have a mortgage with GMAC Mortgage.

Q32 Will Fidelity continue to serve as the investment management company for Delphi employee 401(k) plans?

A32 Yes.

Q33 Will Delphi employees be able to continue our GM Ambassadors Campaign membership?

A33 No.

Q34 Will the GM Fellowship program continue to happen in Delphi? (Two questions -- Will the programs continue for those presently on Fellowships? Once those Fellowships are completed, will Delphi have its own system of Fellowships?)

A34 Delphi will continue to honor the terms and conditions for the existing GM Fellowship recipients. Beginning next year, Delphi will operate its own fellowship program which is currently under development.

Q35 I have a child attending college under a GM Scholarship program. As a Delphi employee in the future, will the scholarship be canceled?

A35 There are no plans currently to cancel the scholarship program.

Q36 To whom are GM Fellows, sponsored by Delphi units, obligated?

A36 Delphi.

Q37 Why have not the important issues concerning the salaried employee not been addressed during these earlier discussions (re the spin-off) and put in place with the necessary detail? Does anybody know what is going on?

A37 Delphi management is working very hard to determine the details of our separation from GM and is striving to be in a position to answer the thousands of questions raised by employees.

Q38 Will Delphi employees be eligible for GMAC Mortgages at current GM employee rates?

A38 GMAC Mortgage will continue similar programs to service Delphi employees.

Q39 Will Delphi employees retain current employee discount rates regarding MIC Insurance? For how long?

A39 MIC will continue similar programs to service Delphi employees.

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Q40 Will educational benefits still be paid? Continuing education (MBA's, PhD's etc.)? Will Delphi offer distance learning thru GMIDL? If so, will the cost change? If not, will Delphi set up its own distance learning network?

A40 Delphi will continue to offer tuition assistance for job-related degrees and skills training. GMU will continue to be one of Delphi's educational partners as well. In addition to targeted GMU courses, we will participate in the GMIDL (General Motors International Distance Learning) programs as they meet our needs. Costs are anticipated to remain the same. At the current time, we have no plans to set up our own distance learning network.

Q41 Will Delphi employees still be offered the same health care choices and coverage?

A41 Yes. For example, enrollment for Flex '99 is about to begin. The GM and Delphi Flex '99 programs are identical.

Q42 Will life insurance coverage carry over as a Delphi employee / retiree?

A42 Yes.

Q43 Will there be a suggestion program with monetary rewards?

A43 Yes.

Q44 Will there be profit sharing?

A44 The same formula will be utilized in 1999 as was used in 1998.

Q45 Am I still a GM employee now (9/3/98) or am I already considered an ex-GM employee?

A45 You are still a GM employee.

Q46 If I retire before September 1999, will I retire as a GM employee? ....will my health insurance still be GM? ....will I be able to get Option 1, 2 or PEP vehicles through GM?

A46 We understand deeply the concern a number of employees have regarding retirement and pension issues. We are working to resolve them as quickly as possible and plan to have relevant information during October.

Information regarding Option #1 and #2 was issued the week of September 14. If you have not received this information, please contact your local personnel office.

Q47 When can I retire and still be considered a GM employee-retired?

A47 We understand deeply the concern a number of employees have regarding retirement and pension issues. We are working to resolve them as quickly as possible and plan to have relevant information during October.

Q48 Will there still be a Product Evaluation Program?

A48 Material relevant to the company-owned vehicle program was distributed to participating employees on Monday, September 21, 1998.

Q49 Will PRISM still be replaced by PeopleSoft? If so, when?

A49 Delphi is evaluating this option.

Q50 Will Delphi have a posting system similar to Opportunity Awareness?

A50 Yes.

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Q51 After the spin off is complete, will the various Delphi divisions eventually merge together to become one division in Troy?

A51 No.

Q52 Can a salaried employee return to hourly now?

A52 Normal policies remain unchanged.

Q53 If the interview process has started and an offer is made for a Delphi employee to join GM, does the freeze apply or is the employee allowed to go?

A53 If an offer has been extended, it will be honored.

Q54 Will the current policies on leaves remain the same (personal/educational/family leave, etc.)?

A54 Yes.

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